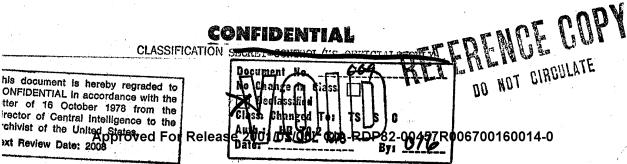
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- After the breakdown of the intrazonal trade discussions the DEAG has assumed a special importance in the foreign trade program of the German Democratic Republic.(1) DEAG cooperates closely with the "RASNO-Export" Agency. (2) It enjoys privileges similar to those of the latter agency and virtually has an extraterritorial status.
- 2. DEAG which handles all business transactions which cannot be conducted through normal channels has its headquarters at the intersection of Friedrichstrasse and Kronenstrasse, Berlin; its director is one Rohdin, (fnu).
- "DERUTRA" functions as a forwarding agency for DEAG.(3) Through its cooperation with the "HASHO-Export" agency DEAG has excellent connections with all Soviet trading agencies. These connections are utilized by DEAG in the preparation of falsified bills.
- The following is an illustration of the methods used by DEAG in conducting its business: A department of DAHA (Deutsbher Aussenhandel) (German Foreign Trade) needs a special kind of wood in a quantity valued at 40,000 DM west for the manufacture of musical instruments intended for export. This wood is available in Bremen. The Soviet Zone Ministry for Interzonal and Foreign Trade does not approve the transfer of the sum in question because its reserves of Western German currency are exhausted. The head of the department thereupon contacts Director Rohdin of the DEAC, who procures the wood from Bremen in exchange for toys to be delivered to Munich. The toys are supplied by the DAMA department which needs the wood. The firm in Bremen receives an order from a fictitious Western German firm to be paid in DM West. In the same way the firm in Munich receives a bill for the delivered toys from a non-existent lest German firm. For such transactions DEAG keeps the required stock of forms and bills. In case the firms in Western Germany are reluctant to accept fake bills prepared in Western Germany, bills from foreign firms, for the most part from Holland, are furnished. DEAC receives a commission of 22 percent of both the imported and exported goods.
- Mahler, (fnu), employed in the "Frankfurter" Department of the Ministry of Interzonal and Foreign Trade is kept informed of all business transactions between one of the 11 departments of DAHA and DEAG. (4) Only dertain departments of the DAHA are authorized to transact business via DEAG.



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Comments.
(1) "DEAC" is believed to be the abbreviation for "Deutsche Ein- und AusfuhrGesellschaft" (German Import and Export Company). According to information
25X1Xsubmitted in July 1950

Controlled by the Government of the German Democratic Republic.

(2) "RASNC-Export" is a Soviet trading agency which handles exports from the U.S.S.R. Its counterpart for imports is "RASNO-Import".

(3) "DERUTRA" is a German-Soviet transport company. It is entered in the trade register as having a joint-stock capital of 10 million DM east, and has branch offices throughout the Soviet "one of Germany. In November 1949, DERUTEA was headed by Director General Crichenko, (fmu).,

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above mentioned department is named, is employed in the Foreign Trade Department of the Ministry of Interzonal and Foreign Trade of the German Democratic Republic. He is among those charged with control of DAHA. DAHA or DAHAG at 5-7 Schicklerstrasse, Berlin C 2 is the German trading agency charged with spotsoring certain commercial transactions between the Western Zones and the Soviet Zone of Germany.

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